



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

May 14, 1975

NOTICE OF BOARD OF DIRECTORS MEETING

A meeting of the Board of Directors of Heber Creeper, Inc. has been set for Thursday, May 22, 1975, at 5:30 p.m. in the offices of Ashton Oil and Transportation, 40 East 100 North, Heber City, Utah

AGENDA

1. Review progress on efforts to refinance.
2. Compensation program for management.
3. Progress report on restaurant acquisitions and personnel.
4. Group insurance program
 - a. Health-Accident
 - b. Life
 - c. Retirement
5. Report on equipment and track
6. Current financial status
7. Old business
8. Other



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HEBER CREEPER, INC.
MINUTES BOARD OF DIRECTORS MEETING
MAY 22, 1975

PRESENT:

Lowe Ashton
Jim Ritchie
J. R. Edwards

W. R. Budd
Gordon Mendenhall

ALSO PRESENT:

Rey L. Arnold

Minutes of the previous meeting held April 5, 1975, were read. Gordon Mendenhall moved that they be approved as read. W. R. Budd seconded. Motion carried.

Lowe Ashton presented a proposal for a management contract. After considerable discussion it was determined that a impasse had been reached. Gordon Mendenhall moved that the board meet on May 28, at 5:30 p.m. for further discussion on the management contract. J. R. Edwards seconded, motion carried.

Lowe Ashton reported that the bank had verbally approved the SBA Loan at 10% interest and that the formal SBA application was currently in the hands of our accountants.

J. R. Edwards reported that the museum had an indication that the Navy Department was willing to donate a new moth-ball diesel locomotive in the 45 to 125 Ton class, and that the engine was currently located in Texas or California, and there were no restrictions as to use. He indicated that the transaction must be submitted to Congress, and if not rejected within 30 days, the Museum would get the engine. He suggested that someone should make a trip to the site and check the locomotive out prior to shipment.

Lowe Ashton gave a brief progress report and indicated that the weather had hampered our operation, we had problems with the speeder, and track work was behind.



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HEBER CREEPER, INC.

MINUTES BOARD OF DIRECTORS MEETING

MAY 28, 1975

PRESENT:

Lowe Ashton
C. H. Nielsen
J. D. Boggess
Jim Ritchie

Gordon Mendenhall
W. R. Budd
Del Wallengren

ALSO PRESENT:

Rey L. Arnold

Lowe Ashton outlined the management compensation package as follows:

1. Salary received by Rey Arnold between January 1, 1975, and April 30, 1975 would be included as draw.
2. From May 1, 1975 through December 31, 1975, he be given a draw of 2,000 per month.
3. All draw would be against a commission of 3% of gross sales less sales tax and that additional commission, if due, would be payable and due by January 1, 1976.
4. Bonus would be paid on year end pre-tax profit amounting to 25% of pre-tax profit in excess of 6% of gross sales less sales tax.
5. Such bonus based on profitability would be presented in cash or stock in some mutually agreeable combination such as: The Company would determine the method of payment of 50% of any bonus due and the General Manager determine the remaining 50%.
6. If the Company is dealing with a management corporation they must be assured that there would be a guarantee of 80% of Rey Arnold's time and that any other venture the management corporation engages in must be of a non-competitive nature.
7. The contract would be of a multi-year type with percentages as agreed.

Rey Arnold reacted favorably and accepted the contract provision as outlined. Jim Ritchie moved that the Board approve the compensation program as outlined. Jack Boggess seconded. Motion carried.

Gordon Mendenhall expressed concern about providing compensation for dedicated long tenure employees. Lowe Ashton reported that he agreed but our initial concern be focused on second line management. He further indicated that for the young stewardesses the incentive for increased compensation was the opportunity to waitress on the diner. For young men there were a number of opportunities to learn new and higher paying occupations. He further indicated that he was exploring a number of fringe benefits such as health and accident insurance.

Some discussion ensued concerning compensation policies on sharing tips among food personnel. Del Wallengren reported that in his experience, the most effective guideline was to insist on tip sharing with those personnel directly involved with serving food, such as bus-boys.

Rey Arnold indicated that through our newly hired promotion and outside salesman, John Martin, we intended to explore a concentrated tourist promotion on Highway 40 East to Vernal, and in Evanston.

Lowe Ashton introduced our new promotional material including a brochure, timetable, tabletent, and poster. The reaction was favorable.

C. H. Nielsen suggested that organizations such as Grand Central, would be good prospects for company party charters.

Lowe Ashton indicated we had employed a Strasburg Railroad employee, Lynn Hoodinger on a temporary basis, and hoped that Lynn would consider joining us on a permanent basis at the end of the operating season.

